

Uncle Sam's Man of Money and Metals

By AARON HARDY ULM



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RAY T. BAKER

The former mine prospector, the government's money maker-in-chief and expert on silver.

RECENTLY a handsomely dressed man, bag and cane in hand, walked into a Philadelphia hotel, and to the clerk remarked: "I believe you have a suite reserved for me." At the same time he handed the clerk a card which read:

RAY T. BAKER,
"Director United States Mint."

The clerk glanced at the card, dropped the pen he had held poised in the air, and broke into a fit of laughter.

"Well, this is the best one I've seen," he roared, as he re-examined the card. "'Director of the Mint! Ha! Ha! Ha! How'd you think of it? I've seen a lot of joke cards but this is the cleverest of all."

The hotel manager, seeing and recognizing Mr. Baker, rushed around behind the desk, clasped a hand over the clerk's laughing mouth, and dragged the attendant from the zone of offense.

"Beg pardon, Mr. Director," said the manager, politely. "He's a new man here and, well—er—he thought that director of the mint stuff on your card was a gag. Front!"

Although it is an office the average person doesn't often hear of, the governmental place held by Mr. Baker is one of the most romantically interesting in Washington. Just now, with bar silver doing capers that threaten revolution in the realm of coins, Mr. Baker's office is of exceeding importance. For it looks after the making of all of our metal money, the purchasing of the vast amounts of gold and silver which the government procures for coins or reserves, the assaying of the most of the precious metal brought into or produced in the country, and the care-taking of precious metals, hoards whose volume staggers the imagination.

Passing under the jurisdiction of the Director of the Mint there are annually supplies of gold and silver that can be measured in carloads, volumes of money estimated in millions of pieces, total transactions involving money values mounting into the billions. In the vaults of one of the assay offices there is now about a billion dollars' worth of gold bullion.

Customarily the biggest function exercised by the Director of the Mint comprises the operation of the government's most important and most (as well as only) highly profitable manufacturing enterprise. He directs the mints which turn out our coins, a prerogative, you may be surprised to learn, which usually earns millions of dollars of profit for the government. The annual net revenues of the mint service have been running beyond \$20,000,000, which is more than all the operations of government cost 125 years ago.

Ordinarily the mint service is only a manufacturing and supervisory establishment. To the mints or the assay offices one may take \$100 or more worth of gold in any form, have it assayed, stamped, and, if desired, exchanged for gold coin or gold certificates. The process is largely mechanical. The mint service also purchases a considerable amount of silver for the making of subsidiary coins, and of copper, tin and zinc for use as alloy or the manufacture of pennies. Prior to the war the service's transactions were largely of a routine nature, of which the public rarely heard or cared.

But the war heightened the importance of the mint service, and silver's price rampages, causing of late the silver dollar to reach a metal value higher than its

face worth, has sent the mint service to unusual place of high significance in the affairs of both government and business.

A few years ago the silver dollar was worth, as metal, only 50 cents or less. Most of those in "circulation"—the total amounting to nearly \$600,000,000—lay new and shiny in Treasury vaults. They were represented in trade by paper certificates, which the public as a rule preferred to "cart wheels." Only about 80,000,000 silver dollars are now abroad. The supplies of them in the Treasury vaults are not so large as they were; and thereby hangs a story of war in which the mint service figures.

When war conditions sent the price of gold downward, similar causes sent that of silver upward. That circumstance produced an unusual state of affairs in the Orient, where currencies were still on a silver basis. The Indian rupee went beyond face value, which caused the Hindus to hoard coin and to demand it instead of the silver certificates they had been accepting. The situation was seized on by the Germans to foment trouble among the East Indians. For a time it looked as if the Indian Government would have to suspend specie payments, which would have caused big troubles to face the Allies, especially Great Britain.

Then we stepped into the breach with our hoard of silver dollars. Congress authorized the Treasury to melt up and sell as bullion as many as 350,000,000, the certificates for which were to be called in and supplanted with Federal Reserve currency.

As fast as the certificates came in, the dollars were taken from the vaults, hastened to the mints, where they were melted or otherwise decoined, and hurried by special trains and vessels to Bombay and Calcutta. About \$250,000,000 worth were thus sold at a price of about \$1.00 an ounce. The transaction was completed only a few months ago.

The same Act of Congress authorizing the sale directs the mint officials to repurchase a similar amount of silver at the price for which it was sold, remit it into dollars and again put the dollars in the vaults.

But since that time silver has been steadily mounting above \$1 an ounce; so no purchases have been made.

In early November bar silver went to \$1.31 an ounce. This raised the metal worth of the silver dollar beyond its gold parity which is \$1.2929. For a day or two the mint experts breathed rather heavily, for the situation was unique and serious. Then the price of silver dropped back, and then later came forward to the point where the metal in a silver dollar was worth 5 cents more than the dollar's value as currency.

Again the government's money experts breathed heavily, and wondered if the time was near at hand when we would again have to produce pasteboard dimes and quarters as were in use during the late days of and following the Civil War.

However, silver must reach a bullion value of \$1.38 an ounce before silver coins below a dollar will be worth more as metal than as money; for the silver in a half dollar is proportionately less than that in a dollar; likewise that in a dime and quarter.

Neither Director Baker nor other person of authority is discussing the situation. But they still have power to put on the market as bullion about 100,000,000 of the silver dollars yet in reserve. And most of the "cart wheels" still floating around are old ones, have been long in use, thus depreciating from wear. Not many of them would weigh enough to bring, as metal, their full original value.

But silver isn't the only thing that has heightened the significance of the United States Mint Service. The phenomenal demand of late for small coins has been taxing to the limit the manufacturing facilities of the service. Lately the mints have been running day and night, chiefly to meet the demand for one cent pieces.

In October more than 60,000,000 pennies were made and the call for them is still beyond supply. There is

also big demand for other small coins, nickels, dimes and quarters. The reasons for it are the shifting of prices, the increasing number of penny change divisions and the war taxes, like those on soda water and movie tickets.

Since the mints began operating there have been put into circulation more than 3,500,000,000 pennies, and fewer than a hundred thousand have drifted back to the mints to be melted up and sent forth afresh. What becomes of them is one of the many mysteries concerning money.

FOR there are still officially in "circulation" millions of half cent, two cent, half dime and other specimens of coin now rarely encountered in trade.

The government doesn't worry much over what becomes of small coin; for generally it represents big profit. Even at present high prices of metals, pennies cost only about 20 cents a hundred to produce, nickels about fifty per cent of face value, and dimes and quarters—until about the first of November—something like 80 cents to the dollar.

Despite the big domestic demand, the mints are still able to manufacture large supplies of coins for South American countries.

It is the business of the Director of the Mint to keep up with the coining activities of other countries, the production of gold and silver throughout the world, and to quarterly announce the value, in American money, of all foreign coins.

There are three mints—at Philadelphia, Denver and San Francisco—and a dozen or more assay offices. Two mints—at Charlotte, N. C., and Dahlonega, Ga.—have been abandoned, and another at New Orleans operates now as an assay office only.

The immediate direction of all of them is under highly trained experts. The checking system which prevails is so nearly impenetrable that, though billions of dollars' worth of metals and coin have been handled, there has never been a serious loss either as the result of dishonesty or mistake. No person is permitted to enter a vault or otherwise figure in the processes of handling metals or money, alone. Two or more must always work together. Even the sweepings of the floors are preserved and distilled for the small particles of wealth that in the melting or stamping processes may drift into the air.

General supervision is given from Washington by the Director of the Mint who makes his office in the Treasury Building.

The present Director, Ray T. Baker, is a man of wide experience in metals, and other things—many other things.

The Director sometimes shows his friends an album of pictures that display him in all the picturesque phases of the Far Western prospector.

He was born in Nevada, where he practiced law, ran, as warden, the state penitentiary and operated mines—and from here he scoured the desert, the plains and the mountains looking for "strikes"—and, it is said, with considerable success. It was he who first explored the Ubehebe region of Death Valley, remaining on one excursion for a period of two years—until his relatives and friends came to believe that he had joined the hundreds of others whose skeletons marked every trail in that empire of heat and death.

However, he came back from that and other ventures which proved so profitable that he was able to shake the sands of the desert from his feet and break into the social realms of Paris and London. He became a world traveler and an international social figure, at the same time keeping a firm and skilful hand in Nevada politics. Then he entered the American Diplomatic Service, as attaché of the Petrograd Embassy, and in 1916 was appointed Director of the Mint.

Upon his knowledge of mining and of metals, particularly "white metal," gained from experience ranging from strikes made in the Western desert to wide trading ventures in the world exchanges, the government largely trusts for direction out of the problems brought forward by silver's surprising "comeback."

American History Advised for British Universities

DR. CHARLES SAROLEA, writing from the University of Edinburgh in the course of a letter in which he explains a scheme for furthering a better understanding between Scotland and America by promoting in the Scottish schools and universities a systematic study of American history, institutions, politics, and economics, says: Let us ask ourselves candidly to how many of us are Jefferson or Lincoln as real as are, say, Napoleon or Bismarck. To how many of us are Daniel Webster or Calhoun something more than shadowy names. How many of us are acquainted with the life and work of Alexander Hamilton, although he is the real father of the American Commonwealth, although he is one of the supermen of world history, and although we may rightly call him a great Scotsman as well as a great American? How many of us have studied "The Federalist," the most profound treatise on the science of politics written since Aristotle? Every British schoolboy is familiar through Carlyle with the first meeting of the French States General. But how many are familiar with the Convention of Philadelphia, which exactly synchronised with the

Revolutionary Assembly, and which was even more epoch-making and even more pregnant with fateful political consequences? Our ignorance of American popular literature is as nothing compared to our ignorance of political and historical literature. Our neglect of American history extends even to the masters of American historiography. Our ignorance of American history is all the more astonishing because there is none which is more instructive or more constructive and none more inspiring.

If ever a nation had a message to deliver surely that nation is America. Yet it is a startling and disappointing fact that that message is not being delivered. The interchange of commodities between the British Empire and the American Commonwealth may be growing by leaps and bounds; the interchange of ideas has not increased correspondingly. It must be confessed that in this respect the Universities of Great Britain have signally failed in one of their essential duties. Surely it is high time that such a gap in our intellectual equipment should be filled, and that such an educational scandal should cease.—Manchester Guardian.